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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

U.S. Architecture Services Trade Mission to India; Chennai, Kolkata and Bangalore, India;

October 15-19, 2012

**AGENCY:** International Trade Administration, Department of Commerce

**ACTION:** Notice

**MISSION DESCRIPTION**

The United States Department of Commerce, International Trade Administration (ITA), U.S. and Foreign Commercial Service (CS), with support from the American Institute of Architects (<http://www.aia.org/>), is organizing an Architecture Services Trade Mission to India from October 15 to 19, 2012. The purpose of the mission is to introduce U.S. firms to India's rapidly expanding market for architectural and design services, including project management services, and to assist U.S. companies to pursue export opportunities in this sector. The mission to India is designed for U.S. architectural, project management, and design services companies, particularly small- and medium-sized enterprises (SMEs), that provide state-of-the-art and world class designs. Target sectors holding high potential for U.S exporters include: master planning (regional design—city planning or regional planning, neighborhood design, port re-development—design of the walkways, buildings, etc. along the port); hospitals and health care architecture; airports/other transportation infrastructure facility architecture; mixed-use projects architectural services; and educational (k-12, university and beyond).

The mission will include stops in Chennai, Kolkata, and Bangalore, where participants will receive market briefings and participate in customized meetings with key officials and prospective partners. Trade mission participants will also have the option to have additional stops at Mumbai, Ahmedabad and New Delhi, where CS offices also can arrange meetings with both private sector developers and state and local government officials.

The mission supports President Obama's National Export Initiative (NEI) and his goal of doubling U.S. exports by 2015 to strengthen the U.S. economy and U.S. competitiveness through meaningful job creation. The mission will help U.S. companies already doing business in India to increase their footprint and deepen their business interests.

The mission will help participating firms gain market insights, make industry contacts, solidify business strategies, and advance specific projects, with the goal of increasing U.S. exports of services to India. The mission will include one-on-one business appointments with pre-screened potential buyers, agents, distributors and joint venture partners; meetings with state and local government officials and industry leaders; and networking events. Participating in an official U.S. industry delegation, rather than traveling to India on their own, will enhance the companies' ability to secure meetings in India.

## **COMMERCIAL SETTING**

India, one of the world's fastest growing economies, presents lucrative opportunities for U.S. companies that offer products and services that help to meet the nation's rapidly expanding infrastructure and housing needs. India is seeking to invest \$1 trillion in its infrastructure during the 12th Five-Year Plan (2012-2017) and is seeking private sector participation to fund half of

this massive expansion through the Public-Private Partnership (PPP) model. The rapid growth of the Indian economy (averaging 8 percent over the past 10 years) has created a pressing need for infrastructure development and the country requires significant outside expertise to meet its ambitious targets. U.S. industry is well qualified to supply the kinds of architectural services and project management skills needed to successfully tackle major initiatives, including such groundbreaking projects as the Delhi-Mumbai Industrial Corridor (DMIC) and the proposed 250-km Bangalore-Chennai expressway, to be built at a cumulative cost of \$1 billion. U.S. technologies are also well positioned to contribute to energy production and greater efficiency in new industrial zones as they are built in India, which faces chronic energy challenges.

Major upcoming opportunities for U.S. firms include the seven technology townships associated with the development of the Delhi Mumbai Industrial Corridor (DMIC), the billion dollar Chennai-Bangalore expressway, municipal construction in several large cities, large educational and hospitality projects launched by the private sector as well as multi-use township and residential projects.

The Indian architecture/construction industry is an integral part of the economy and a conduit for a substantial part of its development investment. The profession and practice of architecture, design and project management in India has undergone a complete transformation in recent years. The booming economy and growing middle class has prompted developers to bring in foreign architects to design many projects, including airports, residential and commercial buildings, and resorts. Foreign architects have a proven track record and have helped bring about a transformation in the way projects are designed and built in India. Many foreign architecture firms have paired up with Indian firms who have the expertise on the ground to execute projects.

To explore these opportunities the trade mission will visit three cities as described below:

### ***Chennai, Tamil Nadu***

Chennai (also known as Madras) is the capital city of the Indian state of Tamil Nadu. Located on the Coromandel Coast off the Bay of Bengal, it is a major commercial, cultural, and educational center in south India and the port of Chennai is the second largest port in India. As of the 2011 census, the city had 4.68 million residents making it the sixth most populous city in India; the urban agglomeration, which comprises the city and its suburbs, was home to approximately 8.9 million people, making it the fourth most populous metropolitan area in the country. According to Forbes magazine, Chennai is one of the fastest growing cities in the world. It has a diversified economic base anchored by the automobile, software services, hardware manufacturing, and health care and financial services industries. According to the Confederation of Indian Industry (CII), Chennai is estimated to grow to a \$100-billion economy, 2.5 times its present size, by the year 2025.

Chennai firms are looking to American architects to learn the processes for executing world-class contemporary buildings. Chennai is experiencing a broad need for all building types, but corporate campuses, education, housing, infrastructure, and master-planning efforts are the most active development sectors. The Chennai realty market has been growing at over 8 percent a year and there are at least 675 real estate projects pending for approval with the local government and 43.5 million square feet area is awaiting development in Chennai. The residential real estate market in is expected to register strong growth in 2012, primarily on account of improvement in the information technology (IT) sector, and continued economic growth in the region. CS Chennai has supported the CII initiated Green building movement, with the U.S. Agency for International Development (USAID) supported Green Building council, established in Hyderabad in cooperation with U.S. Green building council.

### ***Kolkata, West Bengal***

Kolkata (also known as Calcutta) is the capital of the Indian state of West Bengal and has a rich history spanning more than 300 years. Located on the east bank of the Hooghly River, it is the principal commercial, cultural, and educational centre of East India, while the Port of Kolkata is India's oldest port and the country's sole major river port.

The Kolkata metropolitan area (which is 1,480 sq. km, including its suburbs), is home to approximately 14.1 million people within three municipal corporations and 39 local municipalities, making it the third most populous metropolitan area of the country. As of 2008, Kolkata's economic output, as measured by gross domestic product, ranked third behind Mumbai and New Delhi. Kolkata underwent years of urban decay from the 1970s until the late 1990s. Since then, interest in the city picked up and a construction boom is now underway. High rise apartment buildings, resorts and commercial complexes are being developed all over the city. As a growing metropolitan city in a developing country, Kolkata faces urban challenges such as extremely high population density, high traffic density in low road space, several thousand heritage buildings in dire need of restoration, shortage of funds, socio-economic dislocations, and unregulated expansion of the city to accommodate growing population and pollution

Opportunities have been created by the growing demand for high end residential and commercial buildings, new satellite townships, the growing economic power of the middle class population, exposure to modern city concepts from a globalized urban youth population and a vibrant real estate developer community. One of the largest projects is the construction of Rajarhat/New Town, an area that will ultimately cover as much as 50 sq km. In recent years, bids have generated participation by large Indian real estate firms such as Unitech and DLF, and by an

international leader, EMAAR. Local architects and developers are seeking to attract foreign architects to get involved in high profile projects.

### ***Bangalore, Karnataka***

Bangalore (also known as Bengaluru), is the capital of the state of Karnataka. Located on the Deccan Plateau in the south-eastern part of Karnataka, and with an estimated population of 8.5 million in 2011, Bangalore is the third most populous city in India and the 28th largest in the world. Bangalore, most famously known as “India’s Silicon Valley” is the hub for India's information technology sector. With the advent and growth of the ITES industry, as well as numerous industries in other sectors, and the onset of economic liberalization since the early 1990s, Bangalore has taken the lead in service-based industries, fuelling substantial growth of the city both economically and spatially.

Bangalore has become a cosmopolitan city attracting people and business alike, within and across nations. A large number of companies, domestic as well as multinationals, have opened their offices in the Silicon Valley of India. While the Bangalore Development Authority (BDA) governs the growth process of the city, a majority of commercial developments in the city have been carried out by the private sector. The city is becoming a hub of people with high salaries leading to high disposable incomes, which has created a boom in real estate prices; prices grew 25 percent in the period 2011-12. The past year also saw a large number of residential project launches. There are many factors which are boosting demand. Realty experts are of the opinion that the large metro rail project now under construction will transform the real estate scenario in this city in next three years, similar to what happened in the national capital Delhi. Demand for back-offices and contact centers has resulted in continued strong growth in suburban real estate development, with leading IT companies continuing to set up new facilities in Bangalore.

## **MISSION GOALS**

The goals of the Architecture Services Trade Mission to India are to provide U.S. participants with first-hand market information, and one-on-one meetings with business contacts, including potential end users and partners, so that they can position themselves to enter or expand their presence in the Indian market. As such, the mission will focus on helping U.S. companies obtain market information, establish business and government contacts, solidify business strategies, and/or advance specific projects.

The mission will also facilitate first-hand market exposure and access to government decision makers and key private-sector industry contacts, including potential partners. It will provide opportunities for participants to have policy and regulatory framework discussions with Indian government officials and private sector representatives, in order to advance U.S. architectural interests in India.

## **MISSION SCENARIO**

The mission will start in Chennai with a welcome dinner on Sunday, October 14. The next day the participants will attend a round table industry seminar, industry briefing, site visits, lunch meeting with chamber/builders association and one-on-one business meetings. On Tuesday evening the delegates will reach Kolkata.

On Wednesday morning the delegates will start with a site visit. This will be followed by a briefing meeting, followed by one-on-one meetings. There will also be a meeting with the Government of West Bengal, which will be optional for the participating companies. At noon, there will be a networking luncheon with representatives from Indian architecture firms, project developers, and contracting engineers. After lunch the one-on-one meetings will continue

followed by a networking reception. On Thursday morning the delegation will depart for Bangalore.

In Bangalore, the delegates will start with site visits and will also have the opportunity to meet and network with Bangalore-based architectural firms and Government regulators on Thursday. Friday morning will start with an expert briefing, followed by one-on-one business meetings. They will also have a networking lunch meeting with members of the Confederation of Real Estate Developers' Association (CREDIA).

The participants will attend policy, market and commercial briefings by the U.S. Commercial Service and industry experts as well as networking events offering further opportunities to speak with government officials as well as potential distributors, agents, partners and end users. U.S. participants will be counseled before and after the mission by CS India staff. Participation in the mission will include the following:

- Pre-travel briefings on subjects from business practices in India to security;
- Pre-scheduled meetings with government officials, potential partners, distributors, agents, end users and local industry contacts in Chennai, Kolkata and Bangalore;
- Airport transfers in Chennai, Kolkata and Bangalore;
- Participation in networking receptions in Chennai, Kolkata and Bangalore; and participation in one-on-one business meetings with potential clients, partners and distributors in all three cities.

## **PROPOSED TIMETABLE**



<b>Chennai</b>	
Sunday – October 14	<ul style="list-style-type: none"> <li>• Arrive in Chennai</li> <li>• Evening Welcome Dinner</li> <li>• Overnight stay at Chennai</li> </ul>
Monday – October 15	<ul style="list-style-type: none"> <li>• Breakfast briefing by industry experts</li> <li>• Industry Roundtable on Infrastructure/Architecture/Design</li> <li>• Networking lunch hosted by a Chamber</li> <li>• One-on-one business meetings</li> <li>• Overnight stay in Chennai</li> </ul>
<b>Chennai/Kolkata</b>	
Tuesday - October 16	<ul style="list-style-type: none"> <li>• Afternoon travel to Kolkata</li> <li>• Overnight stay in Kolkata</li> </ul>
<b>Kolkata</b>	
Wednesday– October 17	<ul style="list-style-type: none"> <li>• Site Visit</li> <li>• Networking lunch with local industry representatives</li> <li>• One-on-one business meetings</li> <li>• Evening networking reception hosted by Consul General</li> <li>• Overnight stay in Kolkata</li> </ul>
<b>Kolkata/Bangalore</b>	

Thursday – October 18	<ul style="list-style-type: none"> <li>• Morning travel to Bangalore</li> <li>• Site visits</li> <li>• Meetings with local industry and government officials</li> <li>• Evening networking reception</li> <li>• Overnight stay in Bangalore</li> </ul>
<b>Bangalore</b>	
Friday - October 19	<ul style="list-style-type: none"> <li>• Breakfast briefing</li> <li>• Roundtable/Workshop: Networking with Indian Architectural firms</li> <li>• Networking lunch hosted by CREDAI – The Confederation of Real Estate Developers’ Association of India</li> <li>• One-on-one business meetings</li> <li>• Wrap-up discussion followed by dinner</li> <li>• Mission ends</li> </ul>

## **PARTICIPATION REQUIREMENTS**

All parties interested in participating in the trade mission must complete and submit an application package for consideration by the U.S. Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 15 and maximum of 25 participants will be selected from the applicant pool to participate in the mission.

### ***Fees and Expenses:***

After a company or trade association has been selected to participate on the mission, a payment to the U.S. Department of Commerce in the form of a participation fee is required. The participation fee is \$4,735 for large firms and \$4,575 for small or medium-sized enterprises (SME)<sup>1</sup>. The fee for each additional representative (large firm or SME/trade organization) is \$750. After the mission there is the option for gold key service match-making meetings arranged in Mumbai, New Delhi or Ahmedabad for additional fees.

***Exclusions:***

The mission fee does not include any personal travel expenses such as lodging, most meals, local ground transportation (except for transportation to and from meetings), and air transportation from the U.S. to the mission sites and return to the U.S. Delegate members will, however, be able to take advantage of U.S. Government rates for hotel rooms. Business visas may be required. Government fees and processing expenses to obtain such visas are also not included in the mission costs. However, the U.S. Department of Commerce will provide instructions to each participant on the procedures required to obtain necessary business visas.

**CONDITIONS FOR PARTICIPATION:**

Applicants must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may either: reject the application, request additional

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<sup>1</sup> An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see [http://www.sba.gov/services/contracting\\_opportunities/sizestandardstopics/index.html](http://www.sba.gov/services/contracting_opportunities/sizestandardstopics/index.html)). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

information/clarification, or take the lack of information into account when evaluating the applications.

Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, are marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content. In the case of a trade association or trade organization, the applicant must certify that for each company to be represented by the association or trade organizations, the products and/or services the represented company seeks to export are either produced in the United States or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

In addition, each applicant must:

- Certify that the products and services that it wishes to market through the mission would be in compliance with U.S. export controls and regulations;
- Certify that it has identified to the Department of Commerce for its evaluation any business pending before the Department that may present the appearance of a conflict of interest;
- Certify that it has identified any pending litigation (including any administrative proceedings) to which it is a party that involves the Department of Commerce; and
- Sign and submit an agreement that it and its affiliates (1) have not and will not engage in the bribery of foreign officials in connection with a company's/participant's involvement in this mission, and (2) maintain and enforce a policy that prohibits the bribery of foreign officials.

## **SELECTION CRITERIA FOR PARTICIPATION:**

Targeted mission participants are U.S. companies and trade associations providing architectural services that have an interest in entering or expanding their business in the Indian market. The following criteria will be evaluated in selecting participants:

- Suitability of a company's (or in the case of a trade association or trade organization, represented companies') products or services to the Indian market.
- Company's (or in the case of a trade association or trade organization, represented companies') potential for business in India, including likelihood of exports resulting from the mission.
- Consistency of the applicant company's (or in the case of a trade association or trade organization, represented companies') goals and objectives with the stated scope of the mission.
- Current or pending major project participation.
- Rank/seniority of the designated company representative.

Additional factors, such as diversity of company size, type, location, and demographics, may also be considered during the review process.

Referrals from political organizations and any documents, including the application, containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

## **TIMEFRAME FOR RECRUITMENT AND APPLICATION**

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register, posting on the Commerce Department trade mission calendar

(<http://www.export.gov/trademissions/>) and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment for this mission will begin immediately and conclude no later than **August 24, 2012**. The U.S. Department of Commerce will review applications and make selection decisions on a rolling basis beginning June 4, 2012, until the maximum of 25 participants is selected. Applications received after **August 24, 2012** will be considered only if space and scheduling constraints permit.

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